

Delta Natural Gas Company, Inc.
Conservation/Efficiency Program
Billing Factor Calculation
Filing Due Date: January 1

Program Year End: October 31, 2010
Rate Effective: February 1, 2011

CEPCR - Conservation/Efficiency Program Cost Recovery

Program Costs				
Unrecovered CEP Rebates(Schedule A)	AC 1.186.61	\$	162,350	
Unrecovered CEP Rebates - Labor	AC 1.186.611	\$	10,015	
Unrecovered Energy Audits - Material	AC 1.186.62	\$	-	
Unrecovered Energy Audits - Labor	AC 1.186.621	\$	201	
Unrecovered CEP Customer Awareness	AC 1.186.63	\$	11,110	
Unrecovered CEP Admin - Labor	AC 1.186.641	\$	434	
Total Program Costs				\$ 184,110
TOTAL CEPCR				\$ 184,110

CEPLS - Conservation/Efficiency Program Lost Sales

Current Year Program Participation (Schedule A)

Rate	# of Participants	CCF Conserved	Distribution Charge	Lost Sales
High Efficiency Heating Savings				
1. High Efficiency Forced Air Furnaces	141	14,102.8	\$ 0.4319	\$ 6,090
2. High Efficiency Dual Fuel Units	40	834.0	\$ 0.4319	\$ 360
3. High Efficiency Gas Space Heating	25	408.3	\$ 0.4319	\$ 176
4. High Efficiency Gas Logs/Fireplaces	95	5,263.0	\$ 0.4319	\$ 2,273
High Efficiency Water Heating Savings				
1. High Efficiency Holding Tank Models	43	1,939.7	0.4319	\$ 838
2. High Efficiency Power Vent Models	2	125.2	0.4319	\$ 54
3. High Efficiency On-Demand Models	11	1,194.5	0.4319	\$ 516
Energy Audits				
1. Residential Energy Audits	20	600.0	0.4319	\$ 259
Total Current Year Lost Sales	377	24,467.5		\$ 10,566

Cumulative Prior Years Participation (Schedule B)

Total Prior Year(s) Lost Sales	-	-	0.4319	\$ -
TOTAL CEPLS	377	24,467.5		\$ 10,566

CEPI - Conservation/Efficiency Program Incentive

Program Benefits (Schedule C)	\$ 181,100
Less: Program Costs	\$ (184,110)
Net Resource Savings	\$ (3,010)
Incentive Percentage	15%
CEPI	\$ -

CEPBA - Conservation/Efficiency Program Balancing Adjustment

Prior year DSMRC recovery amount	\$ 148,541
Projected recovery 11/1/09 through 1/31/10 used in calculation of prior year DSMRC	
Actual recovery 11/1/09 through 1/31/10 used in calculation of prior year DSMRC	
Write-off lost sales not to be recovered (see Schedule A Note (2))	\$ (3,439)
Amounts to be recovered	\$ 145,102
Projected Recovery 11/1/09 through 1/31/10	\$ 9,150
Actual Recovery 11/1/09 through 1/31/10	\$ (8,690)
Actual recovery 2/1/10 through 10/31/10	\$ 98,501
Projected recovery 11/1/10 through 1/31/11	\$ 63,448
Amounts recovered	\$ 162,409
CEPBA Under (Over) Recovery	\$ (17,307)

CEPRC - Conservation/Efficiency Recovery

Estimated Residential Sales 17,500,000 Ccf

	Recovery Amount	Rate, per Ccf	
CEPCR	\$ 184,110	\$ 0.01052	I
CEPLS	\$ 10,566	\$ 0.00060	I
CEPI	\$ -	\$ -	D
CEPBA	\$ (17,307)	\$ (0.00099)	D
TOTAL DSMRC	\$ 177,369	\$ 0.01013	

Delta Natural Gas Company, Inc.
Conservation/Efficiency Program
Schedule A - Current Year Participation Detail

Program Year End: October 31, 2010

Current Year Program Participation

Program participants 11-1-10 through 10-31-10

	(1)			(1)		
	Program	CCF Conservation		Rebate		
	Participants	Per Participant	Total	Amount	Total	
<u>A. High Efficiency Heating Savings</u>						
1. High Efficiency Forced Air Furnaces	261	100.02	26,105.2	\$	400	\$ 104,400
2. High Efficiency Dual Fuel Units	53	20.85	1,105.1		300	\$ 15,900
3. High Efficiency Gas Space Heating	40	16.33	653.2		100	\$ 4,000
4. High Efficiency Gas Logs/Fireplaces	149	55.40	8,254.6		100	\$ 14,900
<u>B. High Efficiency Water Heating Savings</u>						
1. High Efficiency Holding Tank Models	49	45.11	2,210.4		200	\$ 9,800
2. High Efficiency Power Vent Models	3	62.62	187.9		250	\$ 750
3. High Efficiency On-Demand Models	42	108.59	4,560.8		300	\$ 12,600
<u>C. Energy Audits</u>						
1. Residential Energy Audits	20	30.00	600.0			
Total - A. B. C.	617		43,677.2			162,350

Calculation of CCF Conserved for Lost Sales (2)

Program participants 1-1-10 through 10-31-10

	(2) Program		(1) CCF Conservation	
	Participants	Per Participant	Total	
A. High Efficiency Heating Savings				
1. High Efficiency Forced Air Furnaces	141	100.02	14,102.8	
2. High Efficiency Dual Fuel Units	40	20.85	834.0	
3. High Efficiency Gas Space Heating	25	16.33	408.3	
4. High Efficiency Gas Logs/Fireplaces	95	55.40	5,263.0	
B. High Efficiency Water Heating Savings				
1. High Efficiency Holding Tank Models	43	45.11	1,939.7	
2. High Efficiency Power Vent Models	2	62.62	125.2	
3. High Efficiency On-Demand Models	11	108.59	1,194.5	
C. Energy Audits				
1. Residential Energy Audits	20	30.00	600.0	
Total - A. B. C.	377		24,467.5	

(1) Amounts based on budget and guidelines in CEP program document, as submitted in Case No. 2008-00062

(2) Per Case No 2008-00062 lost sales are based on the cumulative lost sales since program inception and will reset when a company completes a general rate case. During the current program year, Delta concluded its request for increased base rates, Case No. 2010-00116. The case utilized a calendar 2009 test year. Therefore, lost sales to be recovered in this filing are based on those program participants subsequent to the calendar 2009 test year. However, all program participants are included for the purpose of recovering the CEP rebates as these costs were not recovered in the Case 2010-00116.

Lost sales to be recovered per 2009 filing	\$ 13,809
Lost sales billed through October, 2010	\$ (10,370)
Adjustment to prior lost sales no longer recoverable	\$ 3,439

Delta Natural Gas Company, Inc.
Conservation/Efficiency Program
Schedule B - Cumulative Prior Years Program Participation

Program Year End: October 31, 2010

No prior year lost sales to be recovered, see Note (2) on Schedule A

Delta Natural Gas Company, Inc.
Conservation/Efficiency Program
Schedule C - Calculation of Program Benefits

Program Year End: October 31, 2010

Current Year Conservation (Ccf) 43,677.2 per Schedule A

Year	(2) CCF Conserved	(1) Gas Cost	Commodity Savings
2010	43,677.2	\$ 0.61709	\$ 26,953
2011	43,677.2	\$ 0.61709	\$ 26,953
2012	43,677.2	\$ 0.61709	\$ 26,953
2013	43,677.2	\$ 0.61709	\$ 26,953
2014	43,677.2	\$ 0.61709	\$ 26,953
2015	43,677.2	\$ 0.61709	\$ 26,953
2016	43,677.2	\$ 0.61709	\$ 26,953
2017	43,677.2	\$ 0.61709	\$ 26,953
2018	43,677.2	\$ 0.61709	\$ 26,953
2019	43,677.2	\$ 0.61709	\$ 26,953
Total Commodity Savings	436,772.0		\$ 269,528
Discount Rate			7.9700%
Program Benefits			\$181,100
(present value of commodity savings)			

(1) Gas Cost is Delta's GCR rate effective at the program year-end (Case No. 2010-00377).

(2) Estimated CCFs conserved and Gas Cost

(3) Delta's weighted average cost of capital per Case No. 2010-00116